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UNCLAS SAN SALVADOR 000126

SENSITIVE
SIPDIS

PM/DTCC FOR KYLE BALLARD

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [ES](#)
SUBJECT: DEMARCHE: POSSIBLE UNAUTHORIZED RE-TRANSFER AND
RE-EXPORT OF U.S.-ORIGIN FIREARMS BY POLICE OF EL SALVADOR
AND CENTRUM S.A.

REF: SECSTATE 3925

¶1. (SBU) Econoff delivered reftel demarche on possible unauthorized re-transfer/re-export to Jose Miguel Diaz Zelaya, Manager of the Arms Maintenance and Repair Unit (who also functions as a more general manager) and Captain Mario Uceda, General Sales Manager, of Centrum on January 22. Diaz said that Beretta representatives had raised the same issues during a mid-January meeting during an Orlando, Florida gun show.

¶2. (SBU) Centrum planned to meet with their lawyers and police to either request re-transfer/re-export permission or modify the contract to remove any U.S. Munitions List (USML) items. Diaz noted that Centrum would also have the USML and the International Trafficking in Arms Regulations (ITAR) translated into Spanish, since their staff had limited English. Diaz also confided that Centrum only agreed to the re-export provision because then-Director of the Police and current ARENA Presidential candidate Rodrigo Avila insisted. Avila, Diaz said, was worried about a used police gun showing up in a criminal's hand.

¶3. (SBU) Econoff also delivered reftel demarche to Fidel Mazariego, Deputy Director for Administration and Finance, National Civil Police (PNC), on February 2. Mazariego said the "swap arrangement" had been modeled after a transaction the Ministry of Defense had done (which involved German guns), and the PNC had not been aware of the requirement to obtain permission for re-transfer/re-export. As an addendum to their contract with Centrum, the PNC will prepare a letter to the Embassy, signed by either the Director of the PNC or the Minister of Public Security, stating that the PNC would not provide any more US-made arms to Centrum until Centrum obtained all appropriate re-transfer permissions. Mazariego noted that the PNC already provided 280 Smith & Wesson revolvers as part of an initial payment in 2008, but he did not know what Centrum had done with them.

¶4. (SBU) Mazariego lamented that the PNC had only three arms dealers to do business with in El Salvador, and all three had problems. Delays in obtaining arms, especially by Centrum, had led to a "critical situation" for the PNC. If a shipment of Berettas that Centrum promised for February did not materialize, Mazariego said, the PNC would not have enough weapons to arm the police on the street.

¶5. (SBU) On February 2, EconFSN contacted Uceda, who acknowledged that Centrum had already re-exported the 280 Smith & Wesson revolvers to Guatemala and Nicaragua. On

February 4, Centrum provided documentation showing the re-export of the revolvers and the new end-users. Post will forward all documentation to PM/DTCC via e-mail.

16. (SBU) COMMENT: The issue appears to be one of competence rather than ill intent. The swap arrangement was a more complicated transaction than normal for the parties, and the PNC was relying heavily on Centrum to make sure everything was in order. Neither party was familiar with ITAR rules on re-transfer and re-export. Centrum has a poor track record of delivering orders over the past 2-3 years, and likely owes most of its government business to its founder's close ties to the ARENA party rather than its business prowess.

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